



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 15th day of August, 2002

Essential Air Service at

MUSCLE SHOALS, ALABAMA

Under 49 U.S.C. 41731 *et seq.*

Served: August 20, 2002

Docket OST-2000-7856

ORDER EXTENDING SERVICE OBLIGATION

Summary

By this order, the Department is extending Express' service obligation at Muscle Shoals, Alabama, for an additional 30 days, through [September 23, 2002](#).¹

Background

On August 24, 2000, Express Airlines I, Inc., d/b/a Northwest Airlink (Express), filed a 90-day notice of its intent to suspend its subsidy-free service at Owensboro, KY, Muscle Shoals, AL, and Jackson, TN, effective November 22, 2000. By Order 2000-10-3, October 2, 2000, the Department prohibited Northwest from suspending service at the communities for an initial 30-day period, through December 22, 2000, and stated that we would issue subsequent 30-day hold-in orders until we could secure replacement service. We issued Order 2001-3-21, selecting Corporate Airlines to provide service at Jackson and Owensboro. That service began on May 1, 2001. At Muscle Shoals, we have extended Northwest's service obligation for additional 30-day periods, the latest through [August 23, 2002](#), by Order [2002-7-12](#).

By Order 2002-7-38, July 30, 2002, the Department established a short-term annual subsidy rate for Express' hold-in service at Muscle Shoals. The staff and carrier agreed to a two-tiered rate of \$1,172,033, effective November 22, 2000 through September 10, 2001, and \$1,284,408, effective September 11, 2001, until further Department action. Mesaba, another Northwest Airlink carrier, is expected to take over the Muscle Shoals-Memphis route on or about September 7. Express will be compensated at the aforementioned rates until that time.

Both Express and Corporate Airlines have submitted subsidy proposals for service at Muscle Shoals. However, since this case will not be completed before the end of the current hold-in

¹ Since September 22nd is a Sunday, this hold-in period will end on Monday, September 23rd. (See 14 CFR 302.08)

period, and as required by 49 U.S.C. 41734, we must continue to hold Express in at Muscle Shoals for an additional 30-day period.

This order is issued under authority assigned in 14 CFR 385.12(k)(5).

ACCORDINGLY,

1. The Department requires Express Airlines I, Inc., d/b/a Northwest Airlink, to maintain essential air service at Muscle Shoals, Alabama, consisting of at least two nonstop or one-stop round trips each weekday and weekend period between Muscle Shoals and Memphis for an additional 30-day period, through [September 23, 2002](#), or until a carrier capable of providing reliable replacement service actually begins, whichever occurs first;²
2. The Department directs Express to retain all books, records, and other source and summary documents to support subsidy claims for payment and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;
3. Docket OST-2000-7856 will remain open until further order of the Department; and
4. The Department will serve a copy of this order on the Mayor and Airport Manager of Muscle Shoals, Alabama, and Express Airlines I, Inc.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, must file such petitions within ten days after the date of service of this order.

This order will be effective immediately, and the filing of a petition for review shall not preclude its effectiveness.

By:

RANDALL D. BENNETT

Director

Office of Aviation Analysis

(SEAL) *An electronic version of this document is available on the World Wide Web at <http://dms.dot.gov>*

² In accordance with 49 U.S.C. 41734(c), we will extend Express' service obligation for successive 30-day periods as necessary until replacement service actually begins.